

FISCAL NOTE

HB 2478 - SB 2715

January 30, 2008

SUMMARY OF BILL: Amends the retirement law by removing the restriction that military service be performed during the period between October 15, 1940 and May 7, 1975 in order to be credible in TCRS under the Peacetime Military Service provision of current law. Broadens the time period for active members or retired members who performed peacetime military service to establish retirement credit for such military service. The bill is optional to local governments.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$388,400/Annual Amortized Cost

Increase Local Gov't. Expenditures - \$129,200/Annual Amortized Cost*
Exceeds \$100,000/Permissive

Other Fiscal Impact – Increase Federal/Other Expenditures –
\$44,900/Annual Amortized Cost

Assumptions:

- Total lump sum liability of \$4,436,000 amortized over 20 years.
- Funding ratio for teacher cost at 60% state, 40% local education agencies.
- An amount of \$60,000 for administrative expenses for system programming changes and publications/communications changes.
- Permissive costs to local governments will occur if most entities authorize the provisions of the bill for local employees.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

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